

Can TCFD drive business change and improve performance?

SThree, the only global pure-play specialist staffing business focused on roles in STEM, has consistently demonstrated its commitment to climate action. The company has been listed on the Financial Times 300 Climate Leaders in Europe list in 2021, and it's scored a B through CDP for five consecutive years.

The UK government's announcement that the Taskforce for Climate-related Financial Disclosure (TCFD) would be a mandatory reporting requirement was a welcomed move to provide consistent reporting. The STEM staffing specialists had already identified the need to utilise the framework to understand better the impact of climate change on its business.

However, the company's focus had been on how the actions of the business impact climate change. SThree now wanted to know how climate change would affect their business and particularly the STEM markets in which they operate. That's where market-leading independent sustainability consultancy, Avieco comes in.

Avieco works closely with organisations across the economy. They bring sustainability expertise to support companies in their operational, commercial, and strategic ambitions.

It was key SThree identified climate risks and opportunities. Avieco directed SThree through developing climate scenarios using underlying data and scenario frameworks from the Network for Greening the Financial System (NGFS).

This work allowed SThree to look at how the identified climate risks and opportunities could present within individual regions. It highlighted the effects of climate change and the potential consequences within their specific markets and STEM sectors they operate within.

And more importantly, the developed scenarios then informed strategic decisions around how SThree would respond to those risks and opportunities at any point in the future. These have been vital in ensuring SThree can proactively prepare and respond to the potential effects of climate change on their markets.

Gemma Branney, Head of ESG at SThree, said: *"I hadn't fully appreciated the outcomes and impact implementing TCFD would have on our business when we first partnered with Avieco. Having an independent, third party delivering the project facilitated honest conversations and strong external insights. It also provided us with the space to truly observe and analyse the changes needed. It was also a good learning opportunity for me personally as I had limited experience of climate-related scenario analysis."*

The results of SThree and Avieco's work are clear to see. The STEM staffing specialist's risk management framework now details climate change as a risk with detailed indicators and mitigations in place which inform business strategy.

On top of this, SThree has set itself the target of doubling the size of its renewable energy business as a result of the opportunities highlighted through the project and market insights. The company is also expanding Scope 3 emissions reporting to better understand the organisation's climate impact.

Implementing TCFD has led to SThree establishing an internal global renewable energy network. The network shares best practices and improves services to better serve renewable energy partners.

It also helped identify the green skills gap, which has informed SThree's community programming. This includes delivering green skills development and awareness initiatives to expand the green talent pipeline its clients and future clients will need to achieve net-zero.

Not only that, but it improved SThree's understanding of how their clients might be impacted as a result of changing policies and investments. For example, how high emitting sectors are likely to need skills related to their transition rather than the recruitment trends we have previously experienced.